

CPUC Public Agenda 3523

Thursday, February 23, 2023, 11:00 a.m.

Commissioners:

Alice Reynolds, President

Genevieve Shiroma

Darcie L. Houck

John Reynolds

Karen Douglas

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California Public
Utilities Commission

CPUC Mission

We Empower California through:

- Assuring utility services are clean and safe.
- Providing for critical services and infrastructure.
- Designing rates that are fair and reasonable.
- Protecting the interests of consumers and ratepayers

CPUC Core Values



Accountability



Excellence



Integrity



**Open
Communication**



Stewardship

Commissioner Code of Conduct

- I. Commissioners should conduct themselves in a manner that demonstrates respect for the public, for fellow Commissioners, and for Commission staff.
- II. Commission meetings should be opportunities for a full and respectful exchange of ideas and the responsible execution of Commission duties.
- III. Serving on the Commission is an honor and Commissioners should treat their colleagues at the Commission with respect for the varied backgrounds, skills and interests that each one brings.
- IV. Commissioners are public officials who should uphold the integrity of their office at all times.

Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must call in to toll-free number:



1-800-857-1917

Passcode: 9899501

- ***Para escuchar esta reunión en español, por favor llame: (800) 857-1917, código de acceso: 3799627.***
- Once called, each speaker has up to 1 minute at the discretion of the Commission President.
- A bell will ring when time has expired.
- **Written comments on a specific proceeding can be submitted via the CPUC's docket card. Please visit www.cpuc.ca.gov/docket, input the proceeding number, then click on the public comment tab. You can also visit the Public Advisor's Office webpage at www.cpuc.ca.gov/pao for further information.**
- Public Comment is not permitted on the following items:
 - 20

Public Agenda Changes

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.

- Items on Today's Consent Agenda are:
1, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28.
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- **No Item** from the Regular Agenda has been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- **No Item** has been moved to the Regular Agenda.
- **No Item** has been withdrawn.
- The following items have been held to future Commission Meetings:
 - **Held to 03/16/2023: 2 and 5.**

Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's final decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov
- Late changes to agenda items are available on the Virtual Escutia Table; or in paper format or via QR Code at the Commission Meeting site.

Regular Agenda | Energy Orders

Item #29 [21286] – Supplemental Mid-Term Procurement and Transmitting Electric Resource Portfolios to California Independent System Operator for 2023-2024 Transmission Planning Process

R.20-05-003

Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.

Ratesetting

Comr. Alice Reynolds - Judge Fitch

PROPOSED OUTCOME:

- Requires supplemental mid-term procurement of a total of 4,000 megawatts (MW) of electricity resources, in 2026 and 2027. 2,000 MW of long lead-time resources required by 2026 in Decision 21-06-035 will now be required by 2028, though earlier procurement is encouraged.
- Transfers to the California Independent System Operator (CAISO) a base case portfolio for transmission planning purposes that meets a 30 million metric ton greenhouse gas target by 2030 and utilizes the California Energy Commission's high demand forecast scenario with additional transportation electrification.
- Transfers one policy-driven sensitivity portfolio for transmission planning purposes, to refine and update the assumptions relevant for offshore wind resources.

SAFETY CONSIDERATIONS:

- The decision is designed to ensure a safe and reliable supply of electricity from 2026 through 2028, with the appropriate investments in transmission infrastructure to support the required electricity resources.

ESTIMATED COST:

- Unknown, and to be determined once additional transmission analysis is conducted by the CAISO and electricity resources are purchased by the load serving entities.

Regular Agenda | Communication Orders

Item #30 [21283] – Order Instituting Rulemaking Proceeding to Consider Rules to Implement the Broadband Equity, Access, and Deployment Program A.20-09-019

Quasi-Legislative

PROPOSED OUTCOME:

- Opens new Order Instituting Rulemaking to consider rules to implement the Broadband Equity, Access, and Deployment Program, created by created by the Infrastructure Investment and Jobs Act of 2021 (Public Law 177-58), a federal \$42.45 billion broadband grant program, of which California will receive a portion of based primarily on the number of unserved households in the State..

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- There are no costs associated with this decision.

Management Reports



Item #32 [21346]

**Internal Audit Services and Risk and Compliance Branch's
Accomplishments in 2022 and Goals for 2023**

Internal Audit Services and Risk and Compliance Branch's Accomplishments in 2022 and Goals For 2023

Presenters:

Julie Munekawa, Chief, Internal Audit Services (IAS)

Angie Williams, Director, Utility Audits, Risk and Compliance Division

February 23, 2023



California Public
Utilities Commission

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About the IAS



California Public
Utilities Commission

About the IAS

- The Office of Internal Audit Services (IAS) provides assurance and advisory services to add value and improve CPUC's operations.
- We are an independent and objective office who reports to the Commissioners through the Audit Committee.
- All audits conducted by IAS are approved by the Audit Committee.

IAS Accomplishments in 2022



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IAS Accomplishments in 2022

- Implemented TeamMate software and completed four audits using the new system
- Hired Chief Internal Auditor in May 2022
- Developed a risk-based Annual Audit Plan for Fiscal Year 2022-23
- Completed Internal Assessment - Quality Assurance Improvement Program
 - All staff met the continuing professional development requirement
 - Implemented training tracking system for all staff
 - Implemented post-audit surveys
- Validated internal audit recommendations submitted as implemented by divisions since July 2022
- Of the ten audits from the risk-based Annual Audit Plan for Fiscal Year 2022-23:
 - Two final audit reports have been issued
 - Two draft audit reports have been issued and are expected to be finalized in January 2023.
 - One audit is in progress and is expected to be finalized in January 2023.

IAS Accomplishments in 2022

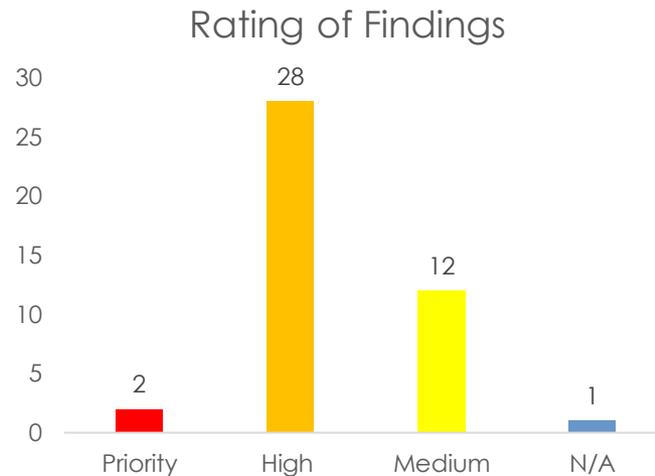
Audits Completed

Job No.	Audited Division	Report Date	# of Findings
2019-10	Administrative Services Division	January 28, 2022	22
2019-09	Administrative Services Division	February 25, 2022	8
2021-02	Communications Division	September 14, 2022	2
2021-04	Consumer Protection and Enforcement Division	September 26, 2022	8
2021-03	Information Technology Services Division	October 28, 2022	1
2022-01	Water Division	December 29, 2022	2

For comparison, no audits were completed during calendar year 2021.

IAS Accomplishments in 2022

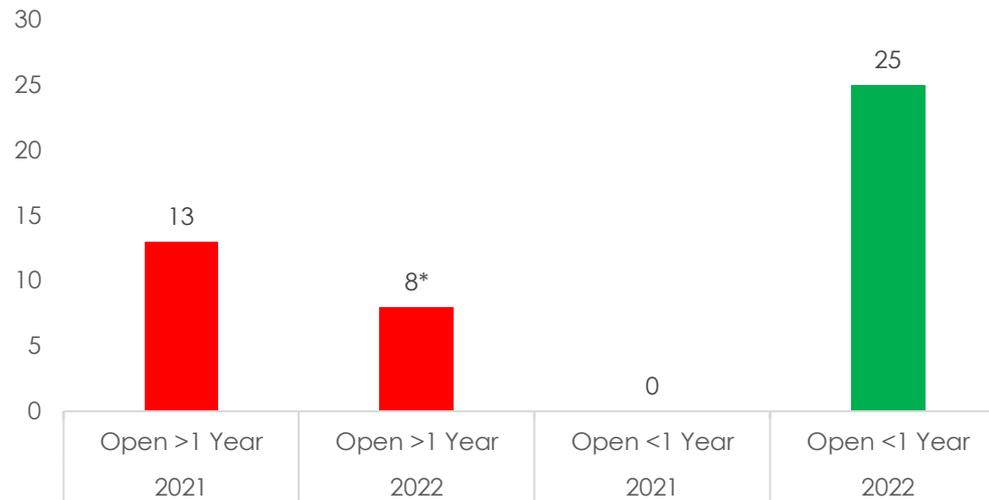
Findings for the Audits Completed - 43



For comparison, no audits were completed during calendar year 2021.

IAS Accomplishments in 2022

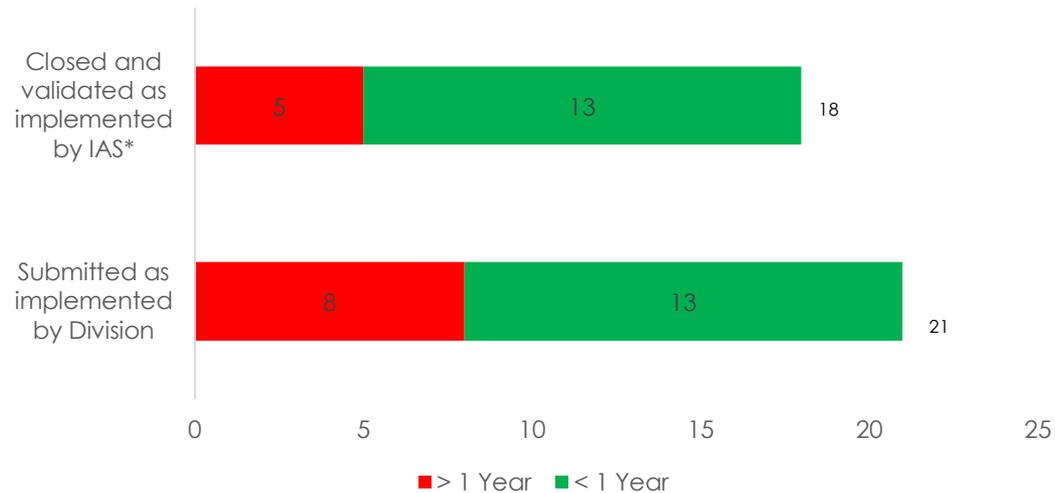
Aging of Open Recommendations as of December 31, 2022



*The 8 recommendations open over 1 year are assigned to ASD and ITSD.

IAS Accomplishments in 2022

Internal Audit Recommendations Closed as of December 31, 2022



For comparison, 15 audit recommendations were submitted in 2021.

*Validation of closed recommendations began in July 2022.

IAS Goals for 2023

IAS Goals for 2023

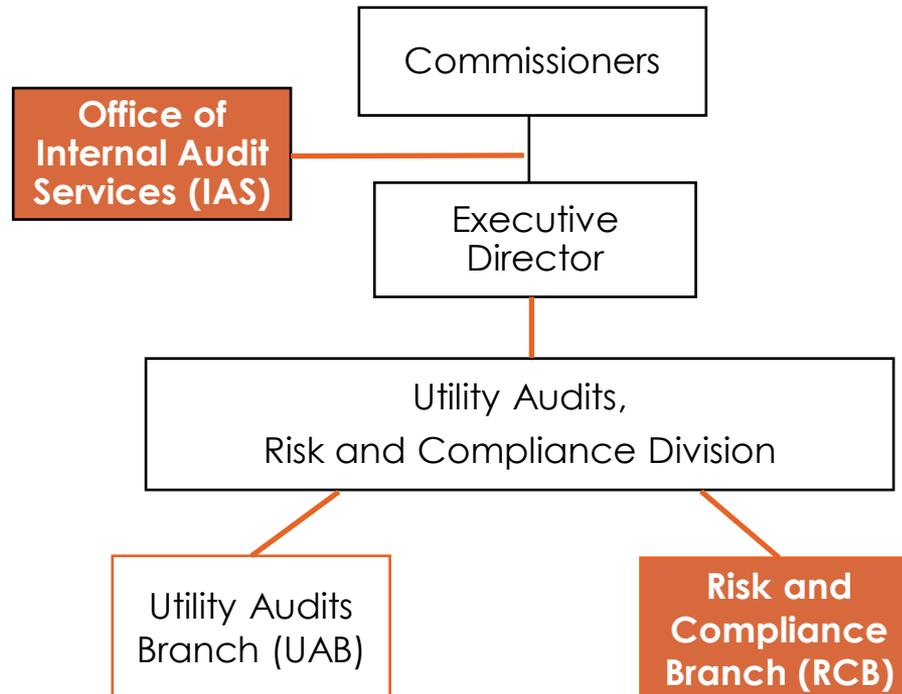
- Initiate External Assessment - Quality Assurance Review beginning November 2023
- Complete Internal Assessment - Quality Assurance Improvement Program
- Complete the IAS Audit Manual
- Review and revise the Internal Audit Charter
- Review and revise the Audit Committee Charter
- Of the ten audits from the Audit Plan, complete the remaining five audits by mid-year 2023
- Create a risk-based Annual Audit Plan for Fiscal Year 2023-24
- Continue to collaborate with the 2nd Line of Defense (Risk and Compliance Branch)

UARCD Organizational Structure

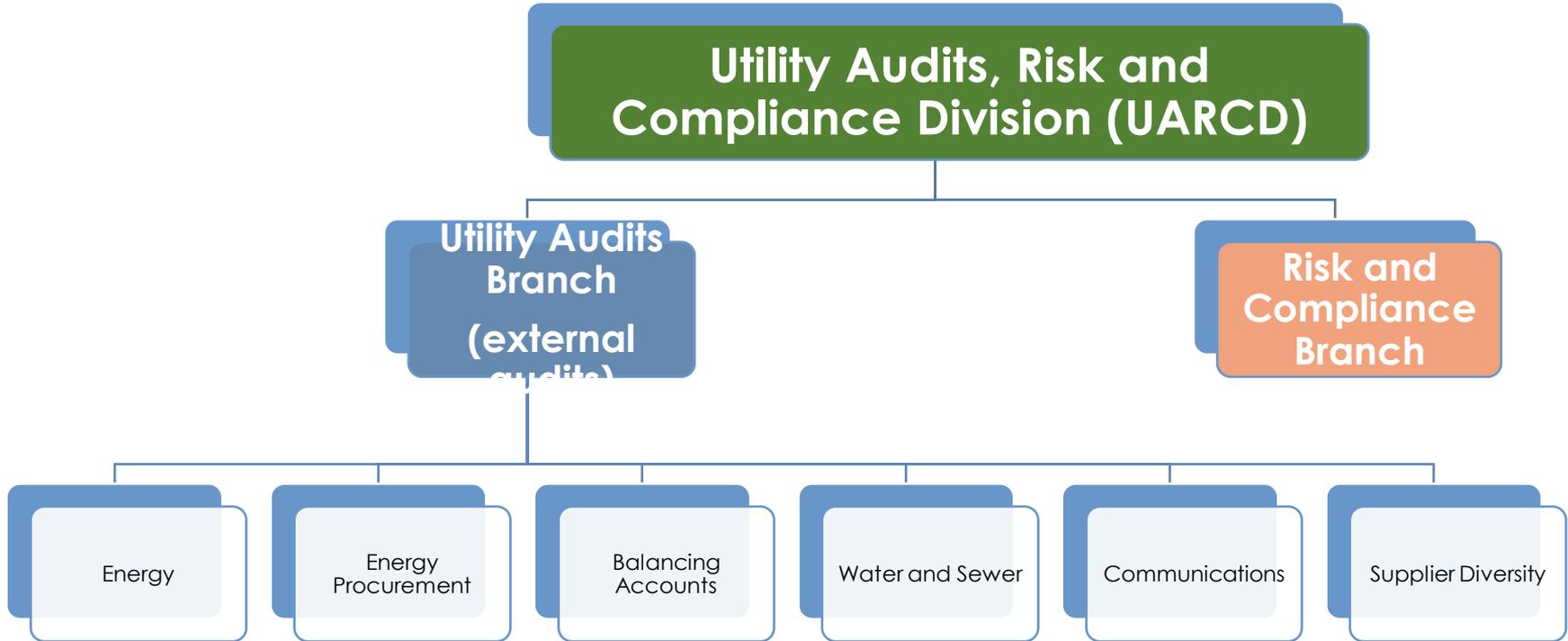


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Organizational Structure



UARCD Structure



RCB Accomplishments in 2022



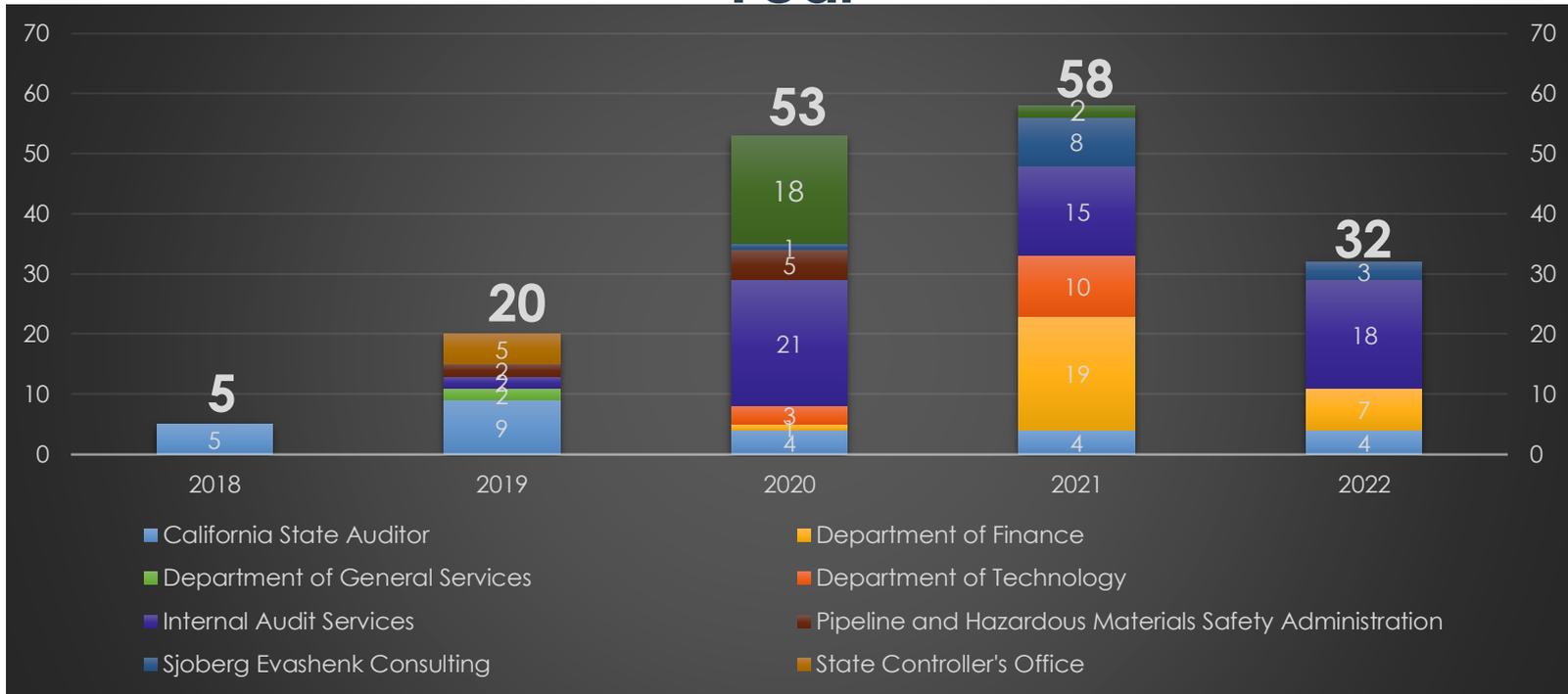
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Implemented Audit Recommendations

As of December 31, 2022

Audit Type	Jan 2022	Dec 2022	Incremental Change
External Audit Recommendations	177	198	+21
Internal Audit Recommendations	34	56	+22
Totals	211	254	+43

External and Internal Audit Recommendations Implemented by Year



SLAA Risks and Action Plans

RISK FACTOR	ACTION PLAN		MILESTONE DATE
Staff Recruitment and Retention		Supported activities developed by the Wellness Advisory Committee	Jun 2022
		Revised the Telework Policy	Dec 2022
		Supported activities developed by the Diversity, Equity, and Inclusion Workgroup	Dec 2022
Workforce and Succession Planning		Finalized and distributed the Technical Advice On Knowledge Management Guide	Dec 2022

SLAA Risks and Action Plans

RISK FACTOR	ACTION PLAN		MILESTONE DATE
Utility Oversight		Created a new Telecommunication Section within the Utility Audit Branch and completed audits on telecommunication carriers	Jun 2022
Information Technology Support		Finalized scoring criteria and created an initial IT project prioritization portfolio utilized by the Information Technology Governance Committee	Jun 2022
Oversight, Monitoring, Internal Control Systems		Completed an enterprise-wide safety program assessment of CPUC's organizational and business safety system	Jun 2022

RCB Accomplishments in 2022

- Submitted CPUC's June and December 2022 SLAA Implementation Plans
- Migrated external/internal audit data into management software and implemented a monthly data reconciliation process
- Launched RCB's SharePoint site
- Created Risk and Compliance Charter
- Completed desk reviews of Telecommunication Carrier's Intrastate Revenue Surcharges reported
- Coordinated and submitted CPUC's corrective action responses to external/internal audit findings

RCB Accomplishments for 2022

- Conducted internal peer review of the Utility Audits Branch
- Established internal procedures and project templates
- Coordinated and participated in university recruiting events:
 - 2 Meet the Firms Events
 - 3 General/Technical Meetings
 - 1 Virtual Career Fair
- Provided trainings to CPUC staff:
 - 3 Lines Model - For New CPUC Staff
 - Ethics & Risk Management Training - For new CPUC supervisors
 - Risk and Priority Setting Framework - For CPUC Management

RCB Goals for 2023



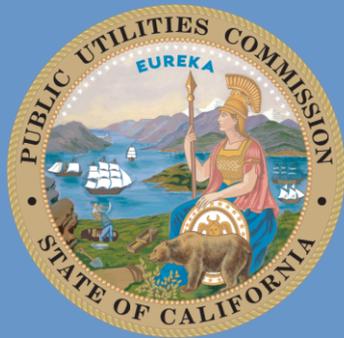
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RCB Goals for 2023

- Continue coordination with Divisions to implement outstanding audit recommendations
- Complete June 2023 SLAA Implementation Plan and December 2023 SLAA Report
- Develop and refine dashboards for monitoring/tracking audit data
- Mature the Enterprise Risk Assessment process
- Continue collaborating with Internal Audit Services
- Increase recruiting efforts by adding new universities and events to our recruitment calendar

Questions?





California Public Utilities Commission

riskandcompliancebranch@cpuc.ca.gov
cpucinternalaudits@cpuc.ca.gov

Item #32 [21346]

**Internal Audit Services and Risk and Compliance Branch's
Accomplishments in 2022 and Goals for 2023**

Management Reports



Commissioner's Reports



President
Alice Busching Reynolds



Commissioner
Genevieve Shiroma



Commissioner
Darcie L. Houck



Commissioner
John Reynolds



Commissioner
Karen Douglas

The CPUC thanks you for
participating in today's meeting

The next Public Meeting will be:

March 16, 2023

11:00 a.m.

Remotely





California Public Utilities Commission

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